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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric  
Company for Approval of 2013-2014  
Statewide Marketing, Education and  
Outreach Program and Budget. (U39M)

Application 12-08-007  
(Filed August 2, 2012)

And Related Matters.

Application 12-08-008  
Application 12-08-009  
Application 12-08-010

**AMENDED SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER**

**Summary**

This Ruling amends the May 15, 2015 “Amended Scoping Memo and Ruling of Commissioner Peterman” in order to expand the scope of this proceeding pursuant to the direction provided by the Commission in Decision 15-08-033. That decision directed the assigned Commissioner in this proceeding to initiate a process to develop a record on the benefits of an open solicitation to select an implementer of the Commission’s statewide Marketing, Education, and Outreach program for 2017 and onward.<sup>1</sup>

**1. Procedural Background**

The March 6 Scoping Memo divided this proceeding into two concurrent phases, and determined the scope and schedule for each phase. Phase 1 has

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<sup>1</sup> Decision (D.) 15-08-033, Ordering Paragraph 3.

developed a record for a Commission decision regarding possible funding sources and program administrators for the Flex Alert program beginning in 2016; a proposed decision resolving Phase 1 issues is expected shortly. Phase 2 considered 2016 bridge funding and activities for statewide marketing, education and outreach (ME&O) including what activities will take place, by whom they will be implemented, how they will be funded and for what duration. Those questions were resolved with respect to 2016 by D.15-08-033. However, in that decision, the Commission also agreed with recommendations made by several parties that the Commission should develop a record on the benefits of conducting an open competitive solicitation to award the responsibility for implementation of the statewide ME&O program beginning in 2017. This addition to the scope of this proceeding shall be addressed in a third phase of this proceeding, as discussed below.

## **2. Policy Background**

In this third phase of A.12-08-007 et al., the Commission will consider issues regarding the funding and implementation of its statewide marketing, education, and outreach campaign, “Energy Upgrade California” after the bridge funding approved in D.15-08-033 expires at the end of 2016.

In order to provide historical context for this phase of the proceeding, a review of the Commission’s earlier decisions will be helpful.

In D.07-10-032, the Commission instituted what it described at the time as “a comprehensive, long-term energy efficiency strategy to achieve our ultimate goal--making energy efficiency a way of life.” The Commission ordered the utilities to jointly develop a statewide energy efficiency strategic plan, and ordered each utility to file an application for approval of its 2009-2011 energy efficiency portfolio.

As part of that decision, the Commission recognized the important role of marketing and education in promoting energy efficiency, but also recognized that ratepayer dollars should be used more strategically. Thus, the Commission ordered the utilities to include in their proposed strategic plan a long-term, coordinated approach to their marketing, education and outreach activities, one that would emphasize ways to integrate outreach efforts on climate change and conservation, joint marketing with other energy programs, and ways to engage customers with limited skills in English.<sup>2</sup>

After considering parties' comments regarding whether and how to modify then-current ME&O approaches for energy efficiency programs to achieve efficiencies with other demand side programs, and achieve better coordination with other entities that have similar programs, the Commission concluded that it favored a coordinated ME&O effort across utility territories and consumer demand side options, because increased coordination would optimize the development and delivery of energy efficiency messages that inform consumers and motivate energy-saving activity. The Commission directed the utilities and third parties to expand their then-current ME&O efforts to achieve the following goals:

1. *Coordination of related marketing, education and outreach programs, such as incentives for solar and other distributed generation installations, demand response programs, conservation and low-income programs;*
2. *Coordination of providers with similar or related interests and services, such as local governments, community-based organizations (CBOs), firms and municipal utilities;*

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<sup>2</sup> D.07-10-032, Ordering Paragraph 8.

3. *Comprehensive approach* to motivating all types of energy efficiency investments and behaviors; and
4. *Cost-effective, high impact plan* to drive maximum energy savings – both long-term and short-term – tailored to reflect the values, habits and demographics of different target communities and populations, particularly low-income and ethnic groups.

Following this 2007 decision, a statewide marketing brand for energy efficiency was developed and branded as “Engage 360.” This program was administered by the utilities through a contract managed by Southern California Edison Company (SCE). However, on October 31, 2011, an Assigned Commissioner Ruling regarding statewide marketing noted that development and delivery of the Engage 360 brand was costly and likely not producing enough ratepayer benefit to justify its continuance. The ruling directed SCE to freeze spending on Engage 360, including the Engage360.com web portal, until the Commission provided further direction. In March of 2013, the Engage 360 website was taken off-line.

The Commission next addressed statewide ME&O in D.12-05-015 (the Guidance Decision). This decision approved the utilities’ 2013-2014 energy efficiency portfolios and provided guidance on statewide marketing, education, and outreach for both 2012 and the 2013-2014 period.

In the Guidance Decision, the Commission also directed the utilities to discontinue the use of the Engage 360 brand and to develop a strategy and budget for transitioning toward the use of “Energy Upgrade California” as a statewide umbrella brand for energy information and to encourage demand-side management actions by residential and small business consumers. The Commission directed the utilities to utilize unspent funds from the Engage

360 campaign toward expenditures for Energy Upgrade California ME&O, web portal maintenance, and limited augmentation of programs related to Energy Upgrade California during 2012. Pacific Gas and Electric Company was assigned to be the lead utility responsible, on behalf of the other utilities, for executing the statewide ME&O program. Lastly, the Commission designated the Center for Sustainable Energy (CSE) as the coordinator for statewide ME&O activities under the umbrella of Energy Upgrade California for 2013 and 2014. The Commission encouraged local governments to submit proposals to administer regional pilot programs for the 2013-2014 program cycle.<sup>3</sup> In its discussion resolving this issue, the Commission concluded that it would like to have CSE serve as the statewide implementer for the ME&O program in 2013-2014.<sup>4</sup> The Commission authorized a two-year budget for CSE to implement the statewide ME&O program, which has now been underway since spring 2014.

### **3. Scope of Phase 3 of this Proceeding**

As noted earlier, this phase of the proceeding will build a record on the benefits of an open solicitation to select an implementer of the Commission's statewide Marketing, Education, and Outreach program for 2017 and onward.

Phase 1 and Phase 2 relied on a record-building process based on several rounds of written comments responding to questions posed in earlier scoping rulings. That material, filed and served by parties, proved to be sufficient to

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<sup>3</sup> In D.12-11-015, issued in A.12-07-001 et al., the Commission authorized the creation of two Regional Energy Networks (RENs) to design and deliver energy efficiency services under the direct supervision of the Commission.

<sup>4</sup> D.12-05-015 at 302-303.

support a Commission decision on the issues within the scope of Phase 1 and Phase 2. We will utilize the same approach for Phase 3.<sup>5</sup>

In framing the questions that are posed to parties below, we have identified several matters that it will be important for the Commission to consider when it issues its decision on post-2016 statewide ME&O. First, the record in Phase 3 should include parties' comments on the role that statewide ME&O should play in promoting demand side programs after 2016. Second, parties should identify, and comment on, the appropriate roles and responsibilities of other stakeholders in the statewide ME&O program. Third, parties should comment on the appropriate budget for statewide ME&O. Fourth, parties should comment on the scope of responsibilities that the Commission should assign to the implementer for statewide ME&O. Finally, parties should make specific and detailed recommendations regarding the process the Commission should employ to select and contract with the implementer of the post-2016 statewide ME&O program.

In order to build the procedural record on the matters listed above, parties may file and serve comments providing responses to the issues and questions below. Comments shall be due on November 20, 2015. Reply comments may be filed and served no later than December 11, 2015.

### **1. Vision of Statewide Marketing, Education and Outreach**

Given the evolution of energy efficiency and other demand side policies and programs since 2007, how should the vision

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<sup>5</sup> In July, 2014, the Commission adopted a broad-ranging Safety Policy that included a commitment to ensure that every Commission proceeding addresses all safety issues identified in that proceeding. No specific safety issues have been identified by parties to date in this proceeding.

of statewide ME&O be defined today? Specifically, should statewide ME&O serve as a lead generator, driving consumers to utility and REN programs, or should it drive consumers to directly take actions to reduce or manage energy in other ways? In addition, please provide any other ideas on how statewide ME&O might evolve in the future.

## **2. Goals of Statewide Marketing, Education and Outreach**

As noted above, in D.07-10-032 and D.12-05-015 the Commission issued specific goals and guidance for the statewide ME&O efforts.

Are the current goals and guidance still appropriate to direct statewide ME&O? If not, how should they be revised?

## **3. Structure of Statewide Marketing, Education, and Outreach**

Currently, ME&O is developed in separate but overlapping “silos” across the state, involving four Investor-Owned Utilities (IOUs), two RENs, two Community Choice Aggregators, numerous publicly-owned utilities, and the statewide ME&O program. In addition, consumers are receiving messages and marketing pitches from contractors, solar installers, retailers, and others. This may be creating a crowded and confusing marketplace that does not motivate consumers. While the public largely supports the state’s ambitious greenhouse gas emission goals, it’s not entirely clear that most people know what part they can play in achieving these goals.

How should statewide ME&O activities integrate with other demand-side marketing efforts after 2016? Please specifically describe the role that identified stakeholders should play to support the mission of statewide ME&O.

## **4. The Request for Proposal (RFP) Process**

In order to expeditiously move forward with an RFP process, it is anticipated that the RFP will be administered by the IOUs in a competitive and open fashion. It is important that a contractor is selected that will be responsive and accountable to the mission of Energy Upgrade California.

Please propose, in detail, a solicitation process that will result in the most appropriate contractor being chosen. What entity should administer this process?

#### **5. Budget**

In D.13-12-038 and D.15-08-033, the Commission authorized roughly \$21 million per year for statewide ME&O, allocated to specific functions and funded proportionally by ratepayers of the four IOUs.

Is \$21 million the appropriate annual funding level? Why or why not? Please address the functional allocation in your response.

#### **6. Contract Management and Governance**

In D.13-12-038, the Commission adopted a governance structure for the statewide ME&O that was intended to provide for strong oversight and contract management by the Commission and the California Energy Commission (CEC), while allowing for collaboration, input, and advice from the utilities and other stakeholders.

Please comment on whether the current governance structure is meeting the Commission's goals for strong oversight by the Commission and the CEC. If not, what is the appropriate governance structure?

#### **4. Procedural Schedule**

The schedule provided in the May 15, 2015 Amended Scoping Memo and Ruling is hereby extended as shown below. This schedule may be modified by the assigned Commissioner or Administrative Law Judge. We anticipate that this proceeding will conclude within 18 months of the issuance of this Scoping Memo, pursuant to Pub. Util. Code § 1701.5.

<i><b>Phase 3: Post-2016 Statewide Marketing, Education, and Outreach</b></i>	
<b>Event</b>	<b>Date</b>
Amended Scoping Memo issued	October 26, 2015
Opening Comments due	November 20, 2015



Reply Comments due	December 11, 2015
Proposed Decision Mails	February, 2016
Final Decision	March, 2016

## **5. Possible Additional Workshops**

If there are any additional workshops in this proceeding beyond those listed above, notices of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

### **IT IS RULED that:**

1. The scope of this proceeding is amended as stated in Section 3 above.
2. The schedule for this proceeding is modified as stated above and may be further modified by the assigned Commissioner or assigned Administrative Law Judge.

Dated October 26, 2015, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman  
Assigned Commissioner